

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1511-02
Bill No.: HB 655
Subject: Counties; Taxation and Revenue - Property
Type: Original
Date: February 10, 2015

Bill Summary: This proposal specifies how certain counties should distribute annual payments from the federal "payments in lieu of taxes" (PILT) program.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government*	\$0	\$0	\$0

*Distribution increase (decrease) net to zero.

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive some of the local government responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of the local government responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

In response to similar legislation filed this year (HB 197), officials at the **City of Deepwater** assumed this proposal would not cost the State of Missouri any funds but would cost the counties that have been withholding the cities PILT funding.

In response to similar legislation filed this year (HB 197), officials at the **City of Osceola** assumed no fiscal impact from this proposal.

Oversight assumes that the payments received by the county would now be distributed to other Local Political Subdivisions (LPS) within their county and have a zero net fiscal impact.

Officials at Henry County, St. Clair County and Roscoe Village did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
LOCAL POLITICAL SUBDIVISIONS			
<u>Loss</u> - Counties distributions of the PILT program to other LPS within the County	(Unknown)	(Unknown)	(Unknown)
<u>Income</u> - Other LPS receipts of PILT program distributions from their Counties	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

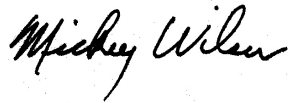
FISCAL DESCRIPTION

Currently, some counties receive an annual payment under the federal Payments in Lieu of Taxes Program to offset losses in property taxes due to non-taxable federal lands within their boundaries. This bill requires specified counties to distribute a portion of the payment to certain cities if the federal land originally was within the city's boundaries. The distribution must be determined by multiplying the payments in lieu of taxes payment per acre by the number of acres taken from the city and multiplying this product by a number equal to the average of the assessed valuation percentages for residential and commercial property divided by the assessed valuation percentage for agricultural property and multiplied by 100. These provisions would currently only affect the City of Deepwater in Henry County and the cities of Osceola and Roscoe in St. Clair County.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

City of Deepwater
City of Osceola

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
February 10, 2015

Ross Strobe
Assistant Director
February 10, 2015